

HONG KONG CORPORATE COUNSEL ASSOCIATION LIMITED
(Incorporated in Hong Kong with liability limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2017

CERTIFIED COPY

We hereby certify that the foregoing document is a true and complete copy of the original (or a properly certified attested copy of the original).



PROCON CPA Limited
Certified Public Accountants, Hong Kong
Signer : Law Chun Yu, Director
Practising Certificate No. P06626

HONG KONG CORPORATE COUNSEL ASSOCIATION LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report together with the audited financial statements of Hong Kong Corporate Counsel Association Limited (the "Association") for the year ended 31 August 2017.

Principal activities

The principal activity of the Association is the provision of support, benefits and financial assistance to educational training opportunities for the corporate counsel community.

Results and dividend

The profits of the Association for the year ended 31 August 2017 and the state of the Association's affairs as at that date are set out in the financial statements on pages 6 to 11.

Funds

Details of the movements in funds of the Association are set out in Note 6 to the financial statements.

Directors

The directors during the year and up to the date of this report were:

CHAN Kwok Wai Gordon	
CH'ANG Sharyn Vicki	
LAMB David Patrick	
OLSON Andrew Philip	
PANG Chi Wai	
SHI Lin	
WONG Kei Keith	
ZHOU Jiaying	
SILIN Douglas Scott	
CHAN Yam Ping Grace	(Appointed on 31 May 2016)
CHAU Wai Man Beverly	(Appointed on 31 May 2016)
KIM Sun Hee	(Appointed on 24 May 2017)
WU Sandra	(Appointed on 24 May 2017)
YIP Ben Tsun Kiu	(Appointed on 24 May 2017)
WONG Davyd	(Appointed on 11 January 2018)
TO Wing Christopher	(Resigned on 24 May 2017)
ROSS Jonathan	(Resigned on 24 May 2017)
KO Wing Yin Alison	(Resigned on 24 May 2017)
WEI Mingxia	(Resigned on 11 January 2018)

Directors' interests in transactions, arrangements or contracts

No transactions, arrangements or contracts in relation to the Association's business to which the Association was a party and in which a director of the Association had a material interest, subsisted at the end of the year or at any time during the year.

HONG KONG CORPORATE COUNSEL ASSOCIATION LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Arrangements to acquire shares or debentures

At no time during the year was the Association a party to any arrangement to enable the directors of the Association to acquire benefits by means of the acquisition of shares in, or debentures of, the Association or any other body corporate.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Association were entered into or existed during the year.

Business review

The Association fell within the reporting exemption for the financial year to the effect that the Association is exempted from preparing the business review.

Auditors

PROCON CPA Limited, Certified Public Accountants retired and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PROCON CPA Limited as the Association's auditors is to be proposed at the forthcoming annual general meeting.

On behalf of the Board



SHI Lin
Director

Hong Kong, 25 April 2018

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HONG KONG CORPORATE COUNSEL ASSOCIATION LIMITED**
(Incorporated in Hong Kong with liability limited by guarantee)

Opinion

We have audited the financial statements of Hong Kong Corporate Counsel Association Limited (the "Association") set out on pages 6 to 11, which comprise the statement of financial position as at 31 August 2017, and the income statement for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements of the Association are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the SME-FRS issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Report of the Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



PROCON CPA Limited, Certified Public Accountants

博爾會計師有限公司

Managing Director: Eric Choy

Director: Chris Law

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HONG KONG CORPORATE COUNSEL ASSOCIATION LIMITED**
(Incorporated in Hong Kong with liability limited by guarantee)
(Continued)

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

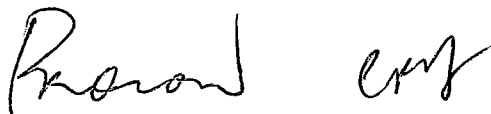
Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in Appendix A to this report. This description, which is located at page 5, forms part of our report.



PROCON CPA Limited
Certified Public Accountants

Managing Director: Chris Law
Practising Certificate Number: P06626

Hong Kong, 25 April 2018

APPENDIX A TO INDEPENDENT AUDITORS' REPORT

Description of Auditors' Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HONG KONG CORPORATE COUNSEL ASSOCIATION LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 HK\$	2016 HK\$
Turnover	2	664,666	548,904
Other income	2	9	9
General and administrative expenses		(530,232)	(520,962)
Surplus before tax	3	134,443	27,951
Income tax expense	5	(4,843)	-
Surplus for the year		129,600	27,951


The accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

HONG KONG CORPORATE COUNSEL ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2017

	Note	2017 HK\$	2016 HK\$
Current assets			
Bank balances and cash		999,837	777,168
Prepayment		-	9,200
Amount due from third party payment vendor		120,175	97,639
Income tax prepaid		6,027	10,870
		<u>1,126,039</u>	<u>894,877</u>
Less: Current liabilities			
Accruals		62,335	10,830
Receipt in advance		244,547	194,490
		<u>306,882</u>	<u>205,320</u>
Net current assets		<u>819,157</u>	<u>689,557</u>
NET ASSETS		<u>819,157</u>	<u>689,557</u>
Funds			
Retained surplus	6	<u>819,157</u>	<u>689,557</u>
		<u>819,157</u>	<u>689,557</u>

Approved on behalf of the Board by:


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SHI Lin
Director

.....
WU Sandra
Director

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

HONG KONG CORPORATE COUNSEL ASSOCIATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

Reporting entity

Hong Kong Corporate Counsel Association Limited (the "Association") is an association incorporated in Hong Kong with liability limited by guarantee. The Association's registered office is located at Unit A & B, 22nd Floor, Ford Glory Plaza, 37-39 Wing Hong Street, Cheung Sha Wan, Kowloon, Hong Kong. The principal activity of the Association is the provision of support, benefits and financial assistance to educational training opportunities for the corporate counsel community.

Under the provisions of the Association's Memorandum and Articles of Association, every member shall, in the event of the Association being wound up, contribute to the assets of the Association to the extent of HK\$100. As at 31 August 2017, the Association had 505 Corporate Members and 349 Individual/Overseas Members (2016: 510 Corporate Members and 272 Individual/Overseas Members).

1 Basis of preparation and accounting policies

The Association qualifies for the reporting exemption as a small Association limited by guarantee under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Association is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably, on the following bases:

- (i) membership income is recognised on accrual basis;
- (ii) sponsorship income is recognised when the sponsorship are received or receivable;
- (iii) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable; and
- (iv) event income is recognised when the event income is received.

(b) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is not provided.

HONG KONG CORPORATE COUNSEL ASSOCIATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2017

1 Basis of preparation and accounting policies (Continued)

(c) Other receivables

Other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

(d) Impairment of assets

An assessment is made at each statement of financial position date to determine whether there is any indication of impairment or reversal of previous impairment as to the asset items. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

2 Turnover and other revenue

	2017 HK\$	2016 HK\$
Turnover		
Membership fee	473,776	418,304
Sponsorship income	134,000	130,600
Event income	56,890	-
	<u>664,666</u>	<u>548,904</u>
Other revenue		
Interest income	9	9
	<u>664,675</u>	<u>548,913</u>

3 Surplus before tax

Surplus before tax is arrived at:

	2017 HK\$	2016 HK\$
After charging the following item:		
Consultancy fee	<u>432,416</u>	<u>410,243</u>

HONG KONG CORPORATE COUNSEL ASSOCIATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

- 4 **Benefits and interest of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G)**
- (a) **Directors' emoluments**
- The directors did not receive and will not receive any fees or other emoluments in respect of their services to the Association during the year (2016: Nil).
- (b) **Directors' retirement benefits**
- None of the directors received or will receive any retirement benefits during the year (2016: Nil).
- (c) **Directors' termination benefits**
- None of the directors received or will receive any termination benefits during the year (2016: Nil).
- (d) **There are no loans, quasi-loans and other dealings in favour of directors, body corporates controlled by and entities connected with such directors (2016: Nil).**
- (e) **No significant transactions, arrangements and contracts in relation to the Association's business to which the Association was a party and in which a director of the Association had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2016: Nil).**
- (f) **During the year ended 31 August 2017, the Association does not pay or receive consideration to / from any third parties for making available the services of a person as director or in any other capacity while he was director (2016: Nil).**

5 **Income tax expense**

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

	2017 HK\$	2016 HK\$
Tax charge for the year	4,843	-

6 **Changes in funds**

	2017 HK\$	2016 HK\$
Balance at the beginning of the year	689,557	661,606
Surplus for the year	129,600	27,951
Balance at the end of the year	819,157	689,557

HONG KONG CORPORATE COUNSEL ASSOCIATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2017

7 Approval of financial statements

The financial statements were authorised for issue by the Association's board of directors on 25 April 2018.